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Contacts: Carol Guthrie (Baucus) 224-6769
Jill Gerber (Grassley) 224-4515
Steven Broderick (Rockefeller) 224-6101
Peter Carr (Hatch) 224-5251

**NEW PLAN FOR CHILDREN'S HEALTH INSURANCE PROGRAM
WILL BRING CARE TO MORE LOW-INCOME, UNINSURED KIDS**

Baucus, Grassley, Rockefeller, Hatch unveil \$35 billion agreement to renew key program

Washington, DC – U.S. Senators Max Baucus (D-Mont.), Chuck Grassley (R-Iowa), Jay Rockefeller (D-W.Va.), and Orrin Hatch (R-Utah) today unveiled a \$35 billion agreement to renew and improve the wildly successful Children's Health Insurance Program. The Senate Finance Committee will consider a Chairman's Mark of the agreement next week. The program provides health insurance to children living in families not poor enough for Medicaid, but still unable to afford private health insurance. The Senators' plan will maintain coverage for all 6.6 million children in the program at this time – including 1.9 million who would have lost CHIP coverage without these additional funds – and will provide dependable health coverage to an additional 3.3 million low-income, uninsured American children. Baucus and Grassley are Chairman and Ranking Republican Member of the Senate Finance Committee. Rockefeller and Hatch are the Chairman and Ranking Republican Member of the Finance Subcommittee on health care.

"The State Children's Health Insurance Program has helped millions upon millions of low-income, uninsured American kids see doctors when they're sick, and this agreement will make sure that even more children get the health care they need," said Baucus. **"The Children's Health Insurance Program targets kids in need for health care, and this plan will get coverage to more than three million more low-income children – more than a third of the American kids who are uninsured today. Working together, my colleagues and I have agreed to take a significant step toward reaching more of the children that Congress meant for this program to serve."**

"Too many low-income children lack health coverage. This legislation refocuses SCHIP on low-income children cost effectively, using appropriate targeted policies. It tries to straighten out the mess created by all the waivers that have spent program resources on adults and higher-income kids," said Grassley. **"We held the line on spending at \$35 billion above the baseline but \$15 billion below the budget agreement. The \$35 billion accommodates costs that we inherited from the Bush Administration waivers. It allows the program to be recalibrated so that Congress doesn't have to continue approving stop-gap measures to make up for funding shortfalls. Dealing with these factors made it complicated to get SCHIP back on track and fulfilling its mission of delivering health care to low-income children. This proposal does the job in a way that both Republicans and Democrats can support, and I hope they do."**

"From the very start of these negotiations, we all understood that our singular priority had to be to maintain coverage for the 6 million children that already rely on CHIP for health insurance, while also working to provide coverage for the millions more that are uninsured," Rockefeller said. **"This proposal makes good on that commitment. And, I'm proud of the fact that this bill will give more than 3 million uninsured children the chance to start out life healthy while delivering real peace of mind to their families."**

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“No child should have to go without healthcare, and we created CHIP to help the children of the working poor who had no insurance coverage,” Hatch said. “This proposal may not be perfect, but it’s a true compromise that maintains the integrity of the CHIP program and ensures that it will continue to help the millions of children who desperately need it.”

Key elements of the Chairman’s Mark include:

- \$35 billion above the baseline of \$25 billion in funding over five years will preserve coverage for 6.6 million children enrolled at this time – including those who would have lost CHIP coverage without this investment – and reach an estimated 3.3. million additional uninsured, low-income American children
- State allotment formula improved to reflect actual projected spending
- Contingency fund to address unforeseen emergencies
- Funding for outreach and enrollment efforts
- Coverage above 300 percent of Federal poverty level will receive regular Medicaid match rate
- Improved premium assistance policies
- States have the option to cover pregnant women for prenatal care vital to healthy newborn children
- Childless adults currently enrolled in CHIP will be transitioned into Medicaid
- Funds for existing coverage of low-income parents will transition into separate small block grants at a lower Federal matching rate
- New waivers for additional adult coverage will not be permitted
- Improves pediatric quality measures for CHIP and Medicaid

Congress decided at CHIP’s creation in 1997 that taxes on tobacco products were an appropriate offset for a program intended to improve the health of low-income children across the country, and the Senators chose to follow that precedent in the renewal this year. The investment in the Children’s Health Insurance Program is paid for with a 61-cent increase in Federal tax on cigarettes, with proportional increases for other tobacco products.

Additional provisions in the bill provide additional outreach funds for Native American children, streamline the Medicaid enrollment process for children living in poverty, and give states the option of documenting an applicant's citizenship at application or following up by confirming through the applicant’s Social Security number.

Authorization for the Children’s Health Insurance Program expires on September 30. Following Finance Committee consideration of the Chairman’s Mark, the full Senate is expected to take up renewal of the Children’s Health Insurance Program renewal this month so that final legislation may be negotiated with the House of Representatives and signed into law.

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